

FORM 2

NOTICE OF DECISION OF CABINET MEMBER

Pursuant to Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1st December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me, I have made the following decision:

Subject	Decision	Reason for decision	Date for Decision to be taken
Decisions that would otherwise have been taken at the Cabinet meeting on 24 March 2020	<p>To approve the recommendations in the reports for the 24 March, set out in the schedule in Appendix 1 to the report.</p> <p>To approve amendments to policies relating to business rates and council tax reliefs, and delegations to the Corporate Director: Resources in respect of further amendments to the policies and allocation of funding.</p>	<p>To enable the business of the Cabinet to be discharged in a timely fashion, including matters that are time-sensitive.</p> <p>To implement current and any future Government announcements about funding for reliefs in the light of the COVID-19 outbreak.</p>	31 March 2020

I confirm that the appropriate statutory officer consultation has taken place with regard to this decision.

Dated: 31 March 2020

Signed:



Councillor: Graham Ballinger
Leader of the Council

WYRE FOREST DISTRICT COUNCIL
Strong Leader Report

DECISIONS THAT WOULD OTHERWISE HAVE BEEN TAKEN AT THE CABINET MEETING ON 24 MARCH 2020

OPEN	
DIRECTOR:	Chief Executive
CONTACT OFFICER:	Ian Miller
DATE:	30 March 2020
APPENDICES:	Appendix 1: schedule of decisions

1. PURPOSE OF REPORT

- 1.1 To take decisions on the reports that were issued for the Cabinet meeting on 24 March – the meeting was cancelled because of the COVID-19 outbreak. In addition to deal with amendments to the Council’s policies on discretionary business rate relief and council tax relief to allow implementation of changes for which the Government is providing funding.

2. RECOMMENDATION

- 2.1 The Leader is asked to **APPROVE** the decisions set out in the schedule in Appendix 1.

3. BACKGROUND

- 3.1 The Leader has the power to take a decision on any executive function and therefore the business of the Cabinet does not need to be disrupted simply because the recent Cabinet meeting was cancelled.
- 3.2 Since the Budget on 11 March, the Government has announced various packages of support for households and businesses as part of its response to the COVID-19 outbreak. These involve an ever-expanding range of 100% rate reliefs in 2020-21 for various categories of business properties that will be funded by Government grant; grants of £10k or £25k to various small and medium sized businesses including those in the hospitality, retail and leisure sector; and, for council tax payers, provision of £150 of relief to all working age households which are receiving council tax reduction support. Where the household’s bill is less than £150, the bill for 2020-21 will be zero. The Government has announced funding for the Council for the council tax reliefs, with the balance available to support households that have recently entered or will soon enter council tax reduction support and/or to bolster its hardship fund.
- 3.3 The Overview and Scrutiny Committee met on 5 March and made positive recommendations that the Cabinet should adopt the housing assistance policy and the Kidderminster Town Centre property acquisition strategy.
- 3.4 The Overview and Scrutiny Sub-Committee met on 23 March and indicated its support to the Cabinet proceeding with the loan proposal. However it did not support the proposed property acquisition – this is addressed further in section 8 below.

4. KEY ISSUES

- 4.1 These are set out in each of the Cabinet reports.
- 4.2 In respect of council tax and business rate reliefs, it is necessary to adjust the extant discretionary relief policies to reflect the actions that the Council is now expected to take; to cater for the possibility that further changes may be required in due course; and to ensure efficient use of the Government funding. An appropriate delegation to the Corporate Director: Resources is therefore included in Appendix 1.

5. FINANCIAL IMPLICATIONS

- 5.1 The financial implications of the various decisions in respect of the Cabinet reports are set out in those reports.
- 5.2 In respect of business rates and council tax reliefs and the grants to businesses, the Government will provide full funding via grants under section 31 of the Local Government Act 2003. The Ministry of Housing, Communities and Local Government is paying £22.5m to this Council on the 1st April to fund grants to businesses. Separate funding will be provided in due course in respect of business rate reliefs. MHCLG is paying £952k to the Council from the hardship fund announced in the Budget. It is estimated that £660k of this will be required to meet the cost of the additional council tax relief of £150 for existing working age recipients of council tax reduction support. The balance will be available to support the large number of households that are now expected to qualify for council tax reduction support as a result of the economic shock caused by COVID-19 and/or to bolster the Council's welfare support fund.
- 5.3 In addition MHCLG has undertaken to provide new burdens funding in respect of software costs and administration, although details are awaited. In the meantime, the Council has been given a generic sum of just over £50k to respond to increased costs relating to COVID-19. This sum falls a very long way short of the likely loss of income and increase in costs that the Council will experience, and it may be necessary to call on the Council's reserves pending receipt of additional Government funding. A formal report for the Cabinet will be provided on this latter point in due course.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The legal and policy implications of the various decisions in respect of the Cabinet reports are set out in those reports.
- 6.2 The Council has discretionary powers under section 13A(1)(c) of the Local Government Finance Act 1992 to reduce an individual's council tax liability. There are equivalent powers in respect of business rates in section 47 of the Local Government Finance Act 1988.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An equality impact needs assessment is not required – the Government has identified the reliefs that councils are being asked to implement. The Council would be criticised if it did not comply with the Government's announcements.

8. RISK MANAGEMENT

- 8.1 The risk implications of the various decisions in respect of the Cabinet reports are set out in those reports.
- 8.2 The Overview and Scrutiny Sub-Committee considered the proposed property acquisition. Its recommendation concludes “The Committee discussed the proposal at length and considered each of the available options in great detail, concluding that having considered all of the relevant matters and balancing the risk and financial considerations, the acquisition should not proceed”. Appropriate regard should be had to this recommendation but that does not mean that the Leader is bound to accept it. It will be appreciated that the Cabinet report includes officers’ views and professional advice and due diligence to date, including external professional advice, that could allow the purchase to go ahead subject to the delegations.
- 8.3 However it is inevitable that the property market has changed significantly in the short time since professional advice, including about the valuation, has been taken and since the report was written. This is an exceptional and rapidly-changing situation and the Council needs to proceed with caution: evidence from the markets shows that investors are withdrawing from property funds at scale. It is important therefore to set out that the risk identified by the Overview and Scrutiny Sub-Committee can be addressed in the following ways:
- 8.3.1 one of the proposed delegations is that the recommendation to acquire is subject to “the satisfactory completion of a financial due diligence verification by external consultants to confirm the Council’s financial modelling; and that the final financial model is agreed by the Corporate Director: Resources following (if necessary) successful renegotiation with the vendor over acquisition price and/ or Estate Charge referred to in the report, or other alternative external funding arrangements are identified that would meet any and all shortfall identified in the modelling to the satisfaction of the Corporate Director: Resources”. In simple terms, the purchase will not proceed if it does not represent a viable financial proposition for the Council. This will require the explicit authorisation of the Corporate Director: Resources who is the Council’s Section 151 officer. She would take account not only of the specifics of this proposed purchase but also the wider financial position of the Council which itself has been significantly impacted by the COVID-19 outbreak;
- 8.3.2 as part of this process, the Corporate Director: Economic Prosperity and Place will commission an updated valuation and assessment of the property so that the impact of the COVID-19 outbreak on the property market, both now and in the future, is identified as far as possible to support further negotiation about the purchase price.
- 8.4 No property purchase is devoid of risk and the confidential report analyses the risks related to this particular property in great detail. While the concerns of the Overview and Scrutiny Sub-Committee are understood, given how the economy and property market have been impacted in recent weeks, it is felt that the risk mitigation measures set out in paragraph 8.3 represent reasonable and proportionate steps to protect the Council’s position.

9. CONCLUSION

9.1 The Leader is invited to approve the decisions in the schedule set out in Appendix 1.

10. CONSULTEES

10.1 Corporate Leadership Team

11. BACKGROUND PAPERS

11.1 Reports issued for the cancelled Cabinet meeting on 24 March 2020.

11.2 Reports to the Overview and Scrutiny Committee on 5 March and to its Sub-Committee on 23 March

11.3 WFDC Welfare Support Scheme <https://www.wyreforestdc.gov.uk/council-tax-and-benefits/welfare-support-scheme.aspx>

11.4 WFDC business rates – charitable and discretionary rate relief policy <https://www.wyreforestdc.gov.uk/business-and-work/national-non-domestic-rates/help-with-ndr-bills/charitable-and-discretionary-rate-relief.aspx>

11.5 WFDC discretionary reduction in council tax liability policy <https://www.wyreforestdc.gov.uk/media/3322658/WFDC-S13A-1c-Final-rev-Nov-15.pdf>

Schedule of decisions

1. Budget Monitoring Third Quarter 2019-20

To DECIDE: -

- 1.1 That the projected budget variations and comments outlined within this
- 1.2 report and appendices 2 to 5 be noted.

To APPROVE: -

- 1.3 The Capital virement of £30,000 in the current (2019-20) financial year from the Refurbishment Fund within the Vehicle, Equipment and Systems renewals schedule in the capital programme to fund the refurbishment (or upgrade/replacement) of the ventilation/exhaust extraction unit serving the garage block at Green Street Depot as detailed in section 7.3 of this report.

2. Housing Assistance Policy

To DECIDE that:

- 2.1 The Housing Assistance Policy 2020 be approved.
- 2.2 Delegated authority be given to Corporate Director: Economic Prosperity and Place, in consultation with the Corporate Director: Resources and Cabinet Member for Housing, Health, Wellbeing and Democratic Services to agree the split of funding and eligibility criteria on an annual basis or as may otherwise be required in accordance with the Housing Assistance Policy applicable at the time.

3. Kidderminster Town Centre Acquisition Strategy

To RECOMMEND TO COUNCIL that it:

- 3.1 Approves an amendment to the Capital Programme for a Future High Street Property Acquisition Fund of £4.275m to be funded from external grant and to be conditional on award of such grant.

To AGREE:

- 3.2 The Acquisition Strategy contained in Appendix 1 to this report.
- 3.3 To delegate authority to the Corporate Director: Economic Prosperity & Place in consultation with the Corporate Director: Resources, Solicitor to the Council and Cabinet Member for Economic Regeneration, Planning & Capital Investments to progress with the acquisition of any of the properties identified in the Acquisition Strategy and funded through the Capital Programme amendment as set out in 2.1 above and to complete such acquisitions where terms are agreed with the landowners as long as they are funded from an external funding source.

- 3.4 That a future report(s) be brought to Cabinet in the event that the use of compulsory purchase powers is considered to be expedient.

4. Development Loan Fund Proposal

To AGREE:

- 4.1 The business case for the approval of a loan of £1.9m from the Council's Development Loan Fund to the company named in the confidential report for the implementation of Phase 1 of the project named in the report.
- 4.2 To delegate authority to the Corporate Director: Economic Prosperity & Place in consultation with the Corporate Director: Resources, the Solicitor to the Council and the Cabinet Member for Strategy and Finance to issue the loan subject to the completion of the final financial due diligence, including ensuring that all conditions for sanctioning the loan are met in full, and the entering into of the necessary security documentation.

5. Acquisition Proposal

To AGREE:

- 5.1 Subject to the matters delegated below, the business case for the purchase of the Freehold property named in the confidential report ("the Property") subject to the existing lease.
- 5.2 To delegate authority to the Corporate Director: Economic Prosperity & Place in consultation with the Corporate Director: Resources, the Solicitor to the Council and the Cabinet Member for Strategy and Finance to conclude the purchase of the Property subject to:
- i. The satisfactory completion of a financial due diligence verification by external consultants to confirm the Council's financial modelling; and that the final financial model is agreed by the Corporate Director: Resources following (if necessary) successful renegotiation with the vendor over acquisition price and/ or Estate Charge referred to in the report, or other alternative external funding arrangements are
 - ii. identified that would meet any and all shortfall identified in the modelling to the satisfaction of the Corporate Director: Resources
 - iii. A conclusion being reached to the satisfaction of the Solicitor to the Council and Corporate Director: Resources following further dialogue with the vendor in respect of the Council's legal and financial liability for the Estate Charge referred to in the report;
 - iv. Any outstanding matters of legal due diligence being resolved to the satisfaction of the Solicitor to the Council.

6. Amendments to discretionary relief policies in respect of council tax and business rates

To AGREE to amend the policies as follows:

Discretionary reduction in council tax liability policy

Add in section 4: “4.4 The Council will grant relief of £150 in 2020-21 for working age households in respect of council tax reduction support in accordance with “COVID-19 hardship fund 2020-21 – Local Authority Guidance” (MHCLG, March 2020). Where the council tax liability is less than £150, the amount of relief to be awarded will be the same as the council tax liability for 2020-21. Where the council tax liability exists for only part of the financial year 2020-21, the amount of relief will be pro rata to the period of liability during that year.”

Business rates – charitable and discretionary rate relief policy

Add at end: “The Council will award discretionary reliefs up to 100% in accordance with any schemes of relief funded by the Government in respect of the COVID-19 outbreak and announced on or since 11 March 2020.”

To DELEGATE to the Corporate Director: Resources, in consultation with the Leader, the power to make such further amendments to the above-named policies as may be necessary to take account of future Government announcements arising from the COVID-19 outbreak.

To DELEGATE to the Corporate Director: Resources the decision on what amount of section 31 grants from the Government’s Hardship Fund is allocated to the Council’s Welfare Support Scheme.